

**July 2006**

## **DRAFT: State Need Grant and State Work Study Rules**

Board staff recommend adoption of the proposed changes to the State Need Grant (SNG) and State Work Study (SWS) rules. In addition to technical corrections, the changes concern the SNG less-than-half-time pilot project and provide an eligibility priority in both programs for former foster youth.

### **Overview**

At the board's March meeting, staff proposed a number of amendments to the State Need Grant and State Work Study rules to reflect recent changes in state law and to make minor technical corrections. A public hearing was held on May 23, 2006. No public comment was received.

This document includes highlights of the proposed changes. The full text of the proposed changes is attached as Appendix A. Included are changes made in response to legislation passed by the 2005 legislature: House Bill 1345 authorized a SNG less-than-half-time pilot project, and House Bill 1079 included a requirement that the board give priority to former foster youth.

With one exception, the proposed rules mirror those presented to the board at the March meeting. Due to a technical issue, one of the originally proposed amendments and a few technical amendments are not included in this package. The delayed amendment relates to establishing a separate State Need Grant award amount for students in the new community college applied baccalaureate pilot programs.

There are no policy-related concerns with the delayed amendment; only a temporary issue regarding the code reviser's requirement for publishing the proposed rule. The delayed amendment will be brought to the board for approval this fall. Because students will not enroll in the applied baccalaureate pilot programs until fall 2007, the delay will not have any negative effect on students.

### **Highlights of the Proposed Rules Changes**

#### ***State Need Grant Program***

- Allow students participating in a less-than-half-time pilot program to qualify for the grant while enrolled in four- or five-credit coursework. The grant value is equal to one quarter of the award for full-time students.
- Students participating in the pilot program would be exempt from having to be officially enrolled in a degree program. The exemption lasts for up to one year.

- Establish a definition of “former foster youth” and other technical changes.

***State Work Study Program***

- Give priority in funding to youth who have previously participated in the state’s foster care program.

**RESOLUTION NO. 06-22**

WHEREAS, The Higher Education Coordinating Board is directed to administer the State Need Grant and State Work Study programs; and

WHEREAS, The Higher Education Coordinating Board is authorized by RCW 28B.80 to adopt rules as necessary to implement the programs; and

WHEREAS, The legislature passed House Bills 1345 and 1079 authorizing the State Need Grant less-than-halftime pilot project and providing eligibility priority in both the State Need Grant and State Work Study programs; and

WHEREAS, The board reviewed the proposed rules at its March 30, 2006 meeting; and

WHEREAS, Board staff accepted testimony through June 14, 2006 and held a public hearing on May 23, 2006; and

WHEREAS, No public comments were received;

NOW THEREFORE BE IT RESOLVED, That the Higher Education Coordinating Board adopt permanent rules amending WAC 250.20 and WAC 250.40 to reflect the current statutory and administration provisions of the State Need Grant and State Work Study programs.

Adopted:

July 27, 2006

Attest:

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Gene J. Colin, Chair

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Bill Grinstein, Vice Chair

## State Need Grant

AMENDATORY SECTION (Amending WSR 99-16-015, filed 7/23/99, effective 8/23/99)

**WAC 250-20-011 Student eligibility.** For a student to be eligible for a state need grant he or she must:

(1) Be a "needy student" as determined by the higher education coordinating board in accordance with RCW 28B.10.802. These students must also meet the "income cutoff," be a "former foster youth" or be a "disadvantaged student" ((who has completed a board approved program designed to promote early awareness of, and aspiration to, higher education)).

(2) Be a resident of the state of Washington in accordance with RCW 28B.15.012 (2)(a) through (d).

(3) Be enrolled or accepted for enrollment as an undergraduate student at a participating postsecondary institution or be a student under an established program designed to qualify him or her for enrollment as a full-time student at a postsecondary institution in the state of Washington.

(a) For purposes of need grant eligibility, the student must be enrolled, at time of disbursement, in a course load of at least six credits per quarter or semester or, in the case of institutions which do not use credit hours, in a program of at least six hundred clock hours requiring at least twelve clock hours of instruction per week.

(b) A student enrolled less than half time may not receive this grant for the term in question (except as specified in WAC 250-20-021 less-than-half-time pilot project), but is eligible for reinstatement or reapplication for a grant upon return to at least a half-time status. Correspondence courses may not comprise more than one-half of the student's minimum credit load for which aid is being considered.

(c) Have a high school diploma or its equivalent. Equivalent standards include a general education development certificate, a certificate of completion of a home study program recognized by the student's home state. For a student without a high school diploma or its equivalent, he or she must pass a federally recognized ability-to-benefit test as is required for the receipt of federal student aid.

(4) Maintain satisfactory progress as defined in WAC 250-20-021(19).

(5) Not be pursuing a degree in theology.

(6) Not have received a state need grant for more than the

equivalent of ten full-time semesters or fifteen full-time quarters or equivalent combination of these two, nor exceed one hundred twenty-five percent of the published length of time of the student's program. A student may not start a new associate degree program as a state need grant recipient until at least five years have elapsed since earning an associate degree as a need grant recipient, except that a student may earn two associate degrees concurrently. A student shall be deemed to have received an associate degree as a state need grant recipient if the student received state need grant payments in more than three quarters, two semesters, or equivalent clock hours while pursuing an associate((s)) degree. Upon receipt of a bachelor's degree or its foreign equivalent, a student is no longer eligible.

(7) Have ~~((made a bona fide application))~~ submitted the Free Application for Federal Student Aid to receive consideration for a Pell grant.

(8) Certify that he or she does not owe a refund on a state need grant, a Federal Pell Grant or a Federal Supplemental Educational Opportunity Grant, and is not in default on a loan made, insured, or guaranteed under the Federal Family Education Loan Program, the Federal Perkins Loan Program, or the Federal Direct Student Loan Program.

AMENDATORY SECTION (Amending WSR 95-17-045, filed 8/11/95, effective 9/11/95)

**WAC 250-20-013 Institutional eligibility.** (1) For an otherwise eligible student to receive a state need grant, he or she must be enrolled in an eligible program at a postsecondary institution approved by the higher education coordinating board for participation in the state need grant program (except as specified in WAC 250-20-021 less-than-half-time pilot project). To be eligible to participate, a postsecondary institution must:

(a) Be a public university, college, community college, or vocational-technical institute operated by the state of Washington, or any political subdivision thereof, or any other university, college, school or institute in the state of Washington offering instruction beyond the high school level with full institutional accreditation by an accrediting association recognized by rule of the board.

(b) Participate in the federal Title IV student financial aid programs, including, at a minimum, the Federal Pell Grant program.

(2) In addition, a for-profit institution must:

(a) Be certified for participation in the federal Title IV student financial aid programs. A for-profit institution that is provisionally certified for participation in the federal Title IV student financial aid programs due to its failure to meet the factors of administrative capability or financial responsibility as stated in federal regulations, or whose participation has been limited or suspended, is not eligible to participate in the state need grant program until its full eligibility has been reinstated.

(b) Demonstrate to the satisfaction of the board that it is capable of properly administering the state need grant program. In making a determination of administrative capability, the board will consider such factors as the adequacy of staffing levels, staff training and experience in administering student financial aid programs, standards of administrative capability specified for purposes of federal Title IV program eligibility, its student withdrawal rate, its federal student loan cohort default rate, and such other factors as are reasonable. In determining the administrative capability of participating institutions, the board will also consider the institution's compliance with state need grant program regulations and guidelines.

(c) Demonstrate to the satisfaction of the board that it has the financial resources to provide the services described in its official publications and statements, provide the administrative resources necessary to comply with program requirements, and that it meets the financial responsibility standards for participation in the federal Title IV programs.

(d) Renew its eligibility each year under these standards.

(3) Nothing in this section shall prevent the board, in the exercise of its sound discretion, from denying eligibility or terminating the participation of an institution which the board determines is unable to properly administer the program or to provide advertised services to its students.

AMENDATORY SECTION (Amending WSR 02-24-041, filed 12/2/02, effective 1/2/03)

**WAC 250-20-021 Program definitions.** (1) The term "needy student" shall mean a post-high school student of an institution of postsecondary education who demonstrates to the higher education coordinating board the financial inability, either parental, familial, or personal, to bear the total cost of education for any semester or quarter. The determination of need shall be made in accordance with federal needs analysis formulas and provisions as recognized and modified by the board.

(2) The term "disadvantaged student" shall mean a student who by reasons of adverse cultural, educational, environmental, experiential, or familial circumstance is unlikely to aspire to, or enroll in, higher education. Generally, this shall mean a dependent student whose parents have not attained a college education and/or whose family income is substantially below the state's median or has participated in a means tested early awareness program designed to qualify him or her for enrollment as a full-time student at a postsecondary institution in the state of Washington.

(3) The term "postsecondary institution" shall mean:

(a) Any public university, college, community college, or vocational-technical institute operated by the state of Washington political subdivision thereof, or any other university, college, school or institute in the state of Washington offering instruction beyond the high school level which is a member institution of an approved accrediting association.

(b) If such institution agrees to participate in the program in accordance with all applicable rules and regulations.

(c) Any institution, branch, extension or facility operating within the state of Washington which is affiliated with an institution operating in another state must be a separately accredited member institution of an approved accrediting association.

(d) The separate accreditation requirement is waived for branch campuses of out-of-state institutions if the branch campus:

(i) Is eligible to participate in federal student aid programs; and

(ii) Has operated as a nonprofit college or university delivering on-site classroom instruction for a minimum of twenty consecutive years within the state of Washington; and

(iii) Has an annual enrollment of at least seven hundred full-time equivalent students.

(4) The term "approved accrediting association" shall mean the following organizations:

- (a) Northwest Association of Schools and Colleges;
- (b) Middle States Association of Colleges and Schools, Commission on Higher Education;
- (c) New England Association of Schools and Colleges;
- (d) North Central Association of Colleges and Schools;
- (e) Southern Association of Colleges and Schools;
- (f) Western Association of Schools and Colleges;
- (g) Accrediting Bureau of Health Education Schools;
- (h) Accrediting Council for Continuing Education and Training;
- (i) Accrediting Commission of Career Schools and Colleges of Technology;
- (j) Accrediting Council for Independent Colleges and Schools;
- (k) National Accrediting Commission of Cosmetology Arts and Sciences.

(5) "Washington resident" shall be defined as an individual who satisfies the requirements of RCW 28B.15.012 (2)(a) through (d) and board-adopted rules and regulations pertaining to the determination of residency.

(6) "Dependent student" shall mean any post-high school student who does not qualify as an independent student in accordance with WAC 250-20-021(6).

(7) "Independent student" shall mean any student who qualifies as an independent student for the receipt of federal aid. These qualifications include a student who has either:

- (a) Reached his or her twenty-fourth birthday before January 1st of the aid year; or((~~7~~))
- (b) Is a veteran of the U.S. Armed Forces; or((~~7~~))
- (c) Is an orphan or ward of the court; or((~~7~~))
- (d) Has legal dependents other than a spouse; or((~~7~~))
- (e) Is a married student or a graduate/professional student; or((~~7~~))
- (f) Is determined to be independent for the receipt of federal aid on the basis of the professional judgment of the aid administrator.

(8) Definitions of "undergraduate students" will be in accord with definitions adopted for institutional use by the board.

(9) "Student budgets" (~~shall~~) are determined by institutions and approved by the board. The student budget consists of that amount required to support an individual as a student for nine months and may take into consideration cost factors for maintaining the student's dependents.



This should be the amount used to calculate the student's total need for all state and federal funds.

(10) "State need grant cost-of-attendance" is the standard student cost per sector, as developed by the board.

(a) The costs-of-attendance for each sector are calculated by adding together a standard maintenance allowance for books, room, board, transportation and personal items, for all undergraduate students statewide as developed by the Washington Financial Aid Association, and the sector's regular tuition and fees for full-time, resident, undergraduate students.

(b) In no case may the costs-of-attendance exceed the statutory ceiling established by RCW ((~~28B.10.808~~)) 28B.92.060(4). The ceiling is calculated by adding together the same standard maintenance allowance used in determining the state need grant cost-of-attendance, plus the regular tuition and fees charged for a full-time resident undergraduate student at a research university, plus the current average state appropriation per student for operating expenses in all public institutions.

(c) For example, in the 1992-93 academic year, the value of the statutory ceiling is \$13,783. This value is composed of the Washington Financial Aid Association's maintenance budget of \$6,964, plus the regular tuition and fees charged for a resident undergraduate student at a research university of \$2,274, plus the current average state appropriation per student for operating expenses in all public institutions of \$4,545.

(d) The value of each element used in the construction of the statutory ceiling will be updated annually.

(e) The higher education coordinating board will consult with appropriate advisory committees and the representative association of student financial aid administrators, to annually review and adjust the costs-of-attendance. The costs-of-attendance for each sector will be published concurrent with annual guidelines for program administration.

(11) "Family income" is the student's family income for the calendar year prior to the academic year for which aid is being requested.

(a) Income means adjusted gross income and nontaxable income as reported on the federally prescribed application for federal student aid.

(b) For the dependent student family income means parental income.

(c) For the independent student family income means the income of the student and any other adult, if any, reported as part of the student's family.

(d) The institutional aid administrator may adjust the family's income up or down to more accurately reflect the family's financial situation during the academic year. When such adjustments are made they shall be consistent with guidelines for making changes to determine federal student aid eligibility.

(12) "Income cutoff" means the amount of family income below which a student is determined to be eligible for the state need grant.

(a) The cutoff shall be expressed as a percent of the state's median family income. The exact point of cutoff shall be determined each year by the board based on available funding.

(b) The board will endeavor to award students, in order, from the lowest income to the highest income, within the limits of available funding.

(c) At the discretion of the institution's aid administrator, a student who is eligible for a state need grant in a given academic year may be deemed eligible for the ensuing academic year if his or her family income increases by no more than three percent, even if the stated median family income cutoff for grant eligibility is lower than that amount.

(13) "Median family income" is the median income for Washington state, adjusted by family size and reported annually in the federal register.

(14) "Base grant" is the state need grant award for each sector before the addition of a dependent care allowance. The base grant per student will be no less than the published base grant in 1998-1999. The base grant may be further adjusted according to the student's family income level and rate of enrollment as described in WAC 250-20-041.

For certain students who have completed board approved early awareness and preparation programs such as (~~the Washington National Early Intervention Scholarship Program, its successor program~~), GEAR-UP or a Trio program, the base grant will be an amount fixed annually by the board. Generally the base grant, in these cases, will be no less than the current value of the federal PELL grant program.

(15) "Dependent care allowance" is a flat grant amount, to be determined by the board, which is in addition to the eligible student's base grant.

(a) The allowance is awarded to those students who have dependents in need of care. The dependent must be someone (other than a spouse) living with the student.

(b) Care must be that assistance provided to the dependent by someone outside of the student's household and not paid by another agency.

(c) Eligible grant recipients must document their need for the dependent care allowance.

(16) "State need grant award" is the base grant adjusted according to level of family income, plus a dependent care allowance, if applicable.

(17) "Academic year" is that period of time between July 1 and the following June 30 during which a full-time student would normally be expected to complete the equivalent of two semesters or three quarters of instruction.

(18) "Clock hours" means a period of time which is the equivalent of either:

(a) A 50 to 60 minute class, lecture, or recitation((7))i  
or

(b) A 50 to 60 minute period of faculty-supervised laboratory shop training or internship.

(19) "Gift equity packaging policy" is the institution's policy for assigning gift aid to all needy, eligible students.

(20) "Satisfactory progress" is the student's successful completion of a minimum number of credit or clock hours for each term in which the grant was received. Each school's policy for measuring progress of state need grant recipients must define satisfactory as the student's completion of the minimum number of credit or clock hours for which the aid was disbursed.

(a) The minimum satisfactory progress standard for full-time students is twelve credits per term or 300 clock hours per term. Satisfactory progress for three-quarter time students is nine credits per term or 225 clock hours per term. Satisfactory progress for half-time students is six credits per term or 150 clock hours per term.

(b) Each school's policy must deny further disbursements of the need grant at the conclusion of any term in which he or she fails to complete at least one-half of the minimum number of credits or clock hours for which the aid was disbursed or otherwise fails to fulfill the conditions of the institution's satisfactory progress policy.

(c) The school may make disbursements to a student who is in a probationary status. "Probation" is defined as completion of at least one-half, but less than all of the minimum number of credits for which the aid was calculated and disbursed. The school must have a probation policy, approved by the board, which limits the number of terms in which a student may receive the need grant while in a probationary status.

(d) The school's aid administrator may at any time, using professional judgment exercised on a case-by-case basis, reinstate a student back into a satisfactory progress status, in response to an individual student's extenuating circumstances.

(21) The term "full institutional accreditation" shall mean the status of public recognition that an accrediting agency recognized by the U.S. Department of Education grants to an educational institution that meets the agency's established standards and requirements. Institutional accreditation applies to the entire institution, indicating that each of an institution's parts is contributing to the achievement of the institution's objectives.

(22) The term "eligible program" for a public or private nonprofit educational institution, shall mean an associate or baccalaureate degree program; at least a two-year program that is acceptable for full credit toward a bachelor's degree, or at least a one-year educational program that leads to a degree or certificate and prepares the student for gainful employment in a recognized occupation. The term "eligible program" for a for-profit or a postsecondary vocational institution shall mean a program which provides at least a 15-week undergraduate program of 600 clock hours, 16 semester hours, or 24 quarter hours. The program may admit students without an associate degree or equivalent. The term "eligible program" for a for-profit or a postsecondary vocational institution may also be a program that provides at least a 10-week program of 300 clock hours, 8 semester hours, or 12 quarter hours. A program in this category must be an undergraduate program that admits only students with an associate degree or equivalent. To be an "eligible program," a program must be encompassed within the institution's accreditation and be an eligible program for purposes of the federal Title IV student financial aid programs.

(23) The three "public sectors of higher education" are the research universities, comprehensive universities, and the community and technical colleges.

(24) A "for-profit institution" is a postsecondary educational institution other than a public or private nonprofit institution which provides training for gainful employment in a recognized profession.

(25) A "postsecondary vocational institution" is a public or private nonprofit institution which provides training for gainful employment in a recognized profession.

(26) The "less-than-half-time pilot project" is defined as follows:

(a) The pilot project is authorized for 2005-2007 in chapter 299, Laws of 2005 and is meant to test the feasibility of providing state need grant awards to students who enroll in four or five credits.

(b) The board shall select up to ten schools to participate in the pilot project.

(c) All rules and guidelines that govern student and school participation in the state need grant program shall apply to pilot project except the following:

(i) The student may enroll for four or five credits per term.

(ii) The grant award is equal to one-quarter of the regular base grant amount.

(iii) Students otherwise enrolled in credit bearing coursework may receive the grant for up to one academic year before being accepted into a program that leads to a degree or certificate.

(27) The term "former foster youth" means a person who is at least eighteen years of age, but no more than twenty-four years of age, who was a dependent of the department of social and health services at the time he or she attained the age of eighteen.

## State Work Study

AMENDATORY SECTION (Amending WSR 94-14-006, filed 6/23/94, effective 7/24/94)

**WAC 250-40-040 Student eligibility and selection.** (1) Eligibility criteria. In order to be eligible for employment under this program the student must:

(a) Demonstrate financial need.

(b) Be enrolled or accepted for enrollment as at least a half-time undergraduate, graduate or professional student or be a student under an established program designed to qualify him or her for enrollment as at least a half-time student at an eligible institution of postsecondary education.

(c) Be capable, in the opinion of the institution, of maintaining good standing in a course of study while employed under the program, and demonstrate satisfactory progress toward degree or certificate completion.

(d) Not be pursuing a degree in theology.

(e) Not owe a refund or repayment on a state or federal financial aid grant program and not be in default on a loan made, insured, or guaranteed under federal and state financial aid loan programs.

(2) Criteria for institutional determination of financial need and the making of awards.

(a) Standard budgetary costs will be determined by the institution subject to approval by the higher education coordinating board.

(b) Total applicant resources shall be determined in accordance with the federal methodology system of need analysis. Institutional financial aid officers may make reasonable adjustments to the computed total applicant resources if individual circumstances warrant such adjustments.

Any adjustments must be documented and placed in the student's financial aid records.

(c) The work-study award shall be designed in such a manner that the sum total of financial aid awarded any one student will not exceed the difference between the total applicant's resources and the budgetary cost of education.

(d) Each institution must have a policy relating to the continuance of aid for students who enroll in but do not complete the number of credit or clock hours required to maintain satisfactory progress toward completion of his or her degree or program objective. The institution must submit its policy to the board annually for approval.

(3) Priorities in placing students.

(a) Provide work opportunities for students who are defined to be residents of the state particularly former foster youth as defined in RCW 28B.92.060. Residents of the state are defined in RCW 28B.15.012 and 28B.15.013 except resident students defined in RCW 28B.15.012 (2)(g);

(b) After consideration of (a) of this subsection, then provide job placements in fields related to each student's academic or vocational pursuits, with an emphasis on off-campus job placements wherever appropriate; and

(c) Whenever appropriate, provide opportunities for off-campus community service placements.

(4) Job placements are encouraged in occupations that meet Washington's economic development goals especially those in international trade and international relations.

AMENDATORY SECTION (Amending WSR 94-14-006, filed 6/23/94, effective 7/24/94)

**WAC 250-40-050 Restrictions on student placement and compensation.** (1) Displacement of employees. Employment of state work-study students may not result in displacement of employed workers or impair existing contracts for services.

(a) State work-study students employed by public institutions of postsecondary education may not fill positions currently or formerly occupied by classified employees.

(b) In cases of governmental employment, state work-study students may fill positions which have been previously occupied but were vacated as a result of implementing previously adopted reduction in force policies in response to employment limitations imposed by federal, state or local governments.

(c) In all other cases, state work-study students may not fill positions which have been occupied by regular employees during the current or prior calendar or fiscal year.

(2) Rate of compensation. All work-study positions shall receive compensation equal to the entry level salary of comparable nonwork-study positions.

Students employed by public postsecondary educational institutions who are filling positions which are comparable to Washington personnel resources board classified positions must be paid entry level Washington personnel resources board wages for the position unless the overall scope and responsibilities of the position indicate a higher level.

Determination of comparability must be made in accordance with state work-study program operational guidelines.

Documentation must be on file at the institution for each position filled by a state work-study student which is deemed by the institution as not comparable to a higher education personnel board position.

(3) Maximum total state work-study compensation. Earnings beyond the student's state work-study eligibility must be reported to the financial aid officer, and resulting adjustments made in the financial aid package in accordance with federal methodology. In the event that a student earns more money from state work-study employment than the institution anticipated when it awarded student financial aid, the excess is to be treated in accordance with the method specified in the state work-study operational guidelines.

(4) State share of student compensation. With the exception of board-approved off campus community service placements, the state share of compensation paid students shall not exceed 80 percent of the student's gross compensation.

In the following cases the state share may be established at 80 percent:

(a) When employed by state supported institutions of postsecondary education at which they are enrolled;

(b) When employed as tutors by the state's common school districts;

(c) When employed in tutorial or other support staff positions by nonprofit adult literacy service providers in the state of Washington who meet guideline criteria for participation; and

(d) When employed in an off-campus community service placement. The state share of compensation paid students employed by all other employers shall not exceed 65 percent of the student's gross compensation.

(5) Employer share of student compensation. The employer shall pay a minimum of 20 percent or 35 percent of the student's gross compensation as specified in subsection (4) (~~((above))~~) of this section, plus the costs of any employee benefits including all payments due as an employer's contribution under the state workman's compensation laws, federal Social Security laws, and other applicable laws. The federal work-study program cannot be used to provide employer share of student compensation except when used for placement of students in tutorial or other support staff positions with adult literacy service providers in the state of Washington who meet guideline criteria for participation.

(6) Academic credit for state work-study employment. Students may receive academic credit for experience gained through state work-study employment.

(7) Maximum hours reimbursed. Employment of a student in excess of an average of 19 hours per week, or in the case of on-campus graduate assistants an average of 20 hours per week, over the period of enrollment for which the student has received an award or a maximum of 40 hours per week during vacation periods will not be eligible for reimbursement from state funds.

A student may not be concurrently employed in the same position by the state work-study program and the federal work-study program and exceed the 19 hours per week average.

(8) Types of work prohibited. Work performed by a student under the state work-study program shall not be sectarian related and shall not involve any partisan or nonpartisan political activity.

(9) Relationship to formula staffing percentage. Placement of state work-study students in on-campus positions at public postsecondary educational institutions may not result in a level

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of employment in any budget program in excess of a formula staffing percentage specifically mandated by the legislature.

AMENDATORY SECTION (Amending WSR 93-20-044, filed 9/29/93, effective 10/30/93)

**WAC 250-40-060 Institutional application and allotment procedures.** (1) Application. Institutions shall annually apply for and document campus need for student employment funds.

(2) Institutional reserve of funds. The board shall annually develop a reserve of funds for the body of students at each eligible participating institution. Institutions will be notified of funds available for their students by May 1 of the year prior to the academic year in which awards will be given, or within a reasonable period after the legislative appropriation becomes known, whichever is later. The following steps shall govern the determination and allotment of institutional reserves:

(a) A base funding level, or conditional guarantee, shall be adopted for each institution currently participating in the program. The initial allotment of funds to any one institution shall equal its conditional guarantee. The conditional guarantee will equal the amount of funds initially reserved to the institution for the 1992-93 fiscal year.

(b) Eligible institutions currently not participating in the program shall be continually encouraged to enter the program, and will be funded at a reasonable level.

(c) Each institution shall share proportionally in the event of budget reductions.

(d) Institutions displaying a pattern of fund underutilization shall have their allocations reevaluated and reduced if appropriate.

(e) Funding increases shall be distributed on an objective basis among institutions in a manner which, when combined with federal work-study allocations, furthers a parity of work opportunity among students statewide.

(f) No institution will be awarded funds which, in the institution's judgment or judgment reasonably exercised by the board, will exceed what the institution can adequately administer.

(3) The convening of an advisory committee. The board staff will convene its advisory committee annually in accordance with WAC 250-40-070(~~(+5+)~~) (4) to review program policies and procedures.

(4) Reallotments. If it is determined that an institution is unable to award all of the funds allotted it, the board will reduce its allotment accordingly and will redistribute unutilized funds to other eligible institutions. Reallotments however, shall not increase or decrease an institution's conditional guarantee.